

HB4874



96TH GENERAL ASSEMBLY

State of Illinois

2009 and 2010

HB4874

Introduced 1/15/2010, by Rep. JoAnn D. Osmond

SYNOPSIS AS INTRODUCED:

815 ILCS 601/10

Amends the Automatic Contract Renewal Act. Provides that written notice of an automatic contract renewal shall be sent by certified mail to the consumer no less than 60 (instead of 30) days and no more than 120 (instead of 60) days before the cancellation deadline pursuant to the automatic renewal clause. Effective immediately.

LRB096 16676 DRJ 31960 b

A BILL FOR

1 AN ACT concerning business.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Automatic Contract Renewal Act is amended by
5 changing Section 10 as follows:

6 (815 ILCS 601/10)

7 Sec. 10. Automatic renewal; requirements.

8 (a) Any person, firm, partnership, association, or
9 corporation that sells or offers to sell any products or
10 services to a consumer pursuant to a contract, where such
11 contract automatically renews unless the consumer cancels the
12 contract, shall disclose the automatic renewal clause clearly
13 and conspicuously in the contract, including the cancellation
14 procedure.

15 (b) Any person, firm, partnership, association, or
16 corporation that sells or offers to sell any products or
17 services to a consumer pursuant to a contract, where such
18 contract term is a specified term of 12 months or more, and
19 where such contract automatically renews for a specified term
20 of more than one month unless the consumer cancels the
21 contract, shall notify the consumer in writing of the automatic
22 renewal. Written notice shall be sent by certified mail and
23 shall be provided to the consumer no less than 60 ~~30~~ days and

1 no more than 120 ~~60~~ days before the cancellation deadline
2 pursuant to the automatic renewal clause. Such written notice
3 shall disclose clearly and conspicuously:

4 (i) that unless the consumer cancels the contract it
5 will automatically renew; and

6 (ii) where the consumer can obtain details of the
7 automatic renewal provision and cancellation procedure
8 (for example, by contacting the business at a specified
9 telephone number or address or by referring to the
10 contract).

11 (c) A person, firm, partnership, association, or
12 corporation will not be liable for a violation of this Act or
13 the Consumer Fraud and Deceptive Business Practices Act if such
14 person, firm, partnership, association, or corporation
15 demonstrates that, as part of its routine business practice:

16 (i) it has established and implemented written
17 procedures to comply with this Act and enforces compliance
18 with the procedures;

19 (ii) any failure to comply with this Act is the result
20 of error; and

21 (iii) where an error has caused a failure to comply
22 with this Act, it provides a full refund or credit for all
23 amounts billed to or paid by the consumer from the date of
24 the renewal until the date of the termination of the
25 account, or the date of the subsequent notice of renewal,
26 whichever occurs first.

1 (Source: P.A. 93-950, eff. 1-1-05.)

2 Section 99. Effective date. This Act takes effect upon
3 becoming law.